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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, OCTOBER 1, 2001

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY CASE NO. PUE010515

For Revision of License Conditions

ORDER

By Order entered June 12, 1969, in Case No. 18869, the
State Corporation Commission ("Commission") approved the
application of Virginia Electric and Power Company ("Virginia
Power" or "Company") to build and operate a dam on the North
Anna River and issued the Company a license for its
construction. One of the conditions of that license required
Virginia Power to "at all times discharge a flow of water
through the dam for low flow augmentation in the amount of at
least 40 cubic feet per second (40 cfs)."

By letter application filed September 18, 2001, Virginia

Power has requested a modification of said license to eliminate
this flow-through requirement. In support of its application,
the Company notes that during its 2000 legislative session, the
Virginia General Assembly enacted into law Virginia Code § 62.144.15:1.2, which provides that the Virginia Department of
Environmental Quality ("DEQ") shall provide lake level
contingency plans:

Any Virginia Pollutant Discharge Elimination System permit issued for a surface water impoundment whose primary purpose is to provide cooling water to power generators shall include a lake level contingency plan to allow specific reductions in the flow required to be released when the water level above the dam drops below designated levels due to drought conditions.

The Company has advised that the DEQ has issued it a permit for the North Anna River dam that includes a lake level contingency plan, as required by the above-quoted statute. The Company requests that we eliminate the condition established in our 1969 license to avoid potential conflicts in stream flow regulation. The Staff has advised that it has reviewed the application and does not object to the requested relief.

NOW THE COMMISSION, having considered the application and the applicable statutes and rules, and upon advice of our Staff, is of the opinion that good cause has been shown for the elimination of the license requirement. Section 62.1-102 of the Code of Virginia provides that, by mutual consent of the licensee and the Commonwealth, any license condition may be altered or amended "to the extent such alteration or amendment is not in conflict with the then existing law of the Commonwealth." We find that the requested amendment complies with the existing law and deem the issuance of the DEQ permit noted above satisfactory evidence of the consent of the Commonwealth to the amendment of the license.

Accordingly, IT IS ORDERED that:

- (1) This shall be docketed and assigned Case No. PUE010515.
- (2) The requirement of the license issued to Virginia

 Electric and Power Company to maintain a flow of not less than

 40 cfs through the North Anna Dam shall be, and hereby is,
 eliminated from the license.
 - (3) All other terms and conditions shall remain in effect.
 - (4) This matter is dismissed.